

Honolulu, Hawaii

FEB 11 2026

RE: S.B. No. 2580
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which
was referred S.B. No. 2580 entitled:

"A BILL FOR AN ACT RELATING TO THE MOTION PICTURE, DIGITAL
MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the Motion Picture, Digital Media, and Film
Production Income Tax Credit to twenty-seven percent of
qualified production costs in counties with a population
of over seven hundred thousand and thirty-two percent in
counties with a population of seven hundred thousand or
less;
- (2) Require each taxpayer claiming the tax credit to submit
an independent third-party certification verifying
certain information to the Department of Business,
Economic Development, and Tourism;
- (3) Exclude qualified productions that incur at least
\$60 million of qualified production costs from the
per-production total tax credit cap of \$17 million;
- (4) Increase the total amount of tax credits allowed to be
claimed annually to \$60 million;



- (5) Define "streaming platform" and amend the definition of "qualified production" to include certain streaming productions; and
- (6) Extend the sunset date of the tax credit to January 1, 2038.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Creative Industries Division of the Department of Business, Economic Development, and Tourism; Honolulu Film Office; Maui Chamber of Commerce; Hawai'i Island Chamber of Commerce; SAG-AFTRA Hawaii Local; Hawai'i Film Alliance; Island Film Group; Kapolei Chamber of Commerce; International Cultural Arts Network; IATSE Local 665; Retail Merchants of Hawai'i; Hawai'i Women in Filmmaking; West 4th Street Films; 'Ohina Labs; Ho'onui LLC; ALA TALENT; Our Neuro Network; Premier Models & Talent; Sight & Sound Productions; Hyperspective Studios, Inc.; The Kathy Muller Talent & Modeling Agency; Niche Models and Talent; Tyler Young Films, LLC.; Visionize Media; Hawaii Teamsters Local 996, AFL-CIO; Bliss Model and Talent Agency; and numerous individuals.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that film and television production is a globally mobile economic sector driven by economic policy, infrastructure readiness, and workforce capacity. Due to the central economic role of the creative industries as an employer, driver of tourism, and revenue generator, the State administers the Motion Picture, Digital Media, and Film Production Income Tax Credit to support the local production market. However, more than ninety countries now offer film rebates ranging from twenty-five to forty percent and many other states are escalating their incentive programs with high rates, uplifts, and expanded eligibility to attract productions. In this context of escalating incentives and infrastructure, the State's existing tax credit framework requires modernization to remain competitive. This measure increases incentive rates, expands eligibility for streaming productions, strengthens compliance verification, and provides for a long-term program extension.

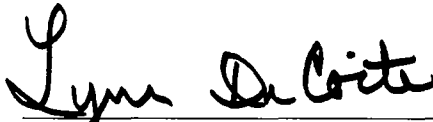


Your Committee has amended this measure by:

- (1) Making it applicable to costs incurred after December 31, 2025, rather than taxable years beginning after December 31, 2025;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2580, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



Record of Votes
Committee on Economic Development and Tourism
EDT

*Only one measure per Record of Votes